

Message Text

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PAGE 01 BRASIL 08740 01 OF 02 201404Z

53

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 PC-01 EB-07 COME-00 AGR-05 TRSE-00

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 6506

LIMITED OFFICIAL USE SECTION 1 OF 2 BRASILIA 8740

FOL TEL RCVD FROM SAO PAULO 19 NOV 74 SENT ACTION BRASILIA INFO
RIO DE JANEIRO AND PORTO ALEGRE BEING RPTD FOR YOUR ACTION
QUOTE

LIMITED OFFICIAL USE SECTION 1 OF 2 SAO PAULO 2533

E.O. 11652: GDS

TAGS: PINS, BR

SUBJECT: SENATOR FRANCO MONTORO VIEWS ELECTION RESULTS

1. MDB MAJORITIES IN STATE LEGISLTURES. AT LUNCH NOVEMBER 18
WITH DCM JOHNSON, MDB SENATOR AND ELECTION CAMPAIGN COORDINATOR
FRANCO MONTORO STATED THAT ACCORDING TO HIS LATEST INFORMATION THE
MDB WOULD WIN A MAJORITY NOT ONLY IN THE STATE LEGISLATIVE ASSEMBLIES
OF SAO PAULO BUT ALSO IN THOSE OF RIO GRANDE DO SUL AND SANTA
CATARINA AS WELL.

2. SIGNIFICANCE OF ELECTION RESULTS. MONTORO SAID HE HAD NOT BEEN
SURPRISED BY THE LARGE MDB VOTE THROUGHOUT THE COUNTRY AS HE HAD
TRAVELLED EXTENSIVELY DURING THE CAMPAIGN TO HELP HIS COLLEAGUES
IN OTHER STATES AND HE HAD GAINED AN APPRECIATION OF THE MAGNITUDE
OF THE POPULAR PROTEST AGAINST THE GOVERNMENT'S POLICIES DURING HIS
TRAVELS. ASKED TO EVALUATE THE MEANING OF THE MDB VICTORY, MONTORO
INTERPRETED THE ELECTION AS CONSTITUTING A REVIVAL OF THE
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PAGE 02 BRASIL 08740 01 OF 02 201404Z

DEMOCRATIC SPIRIT IN BRAZIL. TO PARAPHRASE THE WORDS OF MARSHALL

JAUREZ TAVORA, MONTORO SAID, "A REVOLUTION HAS TAKEN PLACE THROUGH THE BALLOT BOX". HE ALSO BRIEFLY MENTIONED THE YOUTH VOTE AND THE DESIRE FOR MORE AUTHENTIC REPRESENTATIVES IN THE LEGISLATURES. IN THE SAO PAULO CAMPAIGN, MONTORO HAD HAMMERED HOME THE THEME THAT ORESTES QUERCIA WAS THE BEST MAN TO REPRESENT THE WORKERS' INTERESTS. THE OVERRIDING MEANING OF THE ELECTION WAS THAT THE PEOPLE WANTED A RETURN TO DEMOCRACY. IN MORE IMMEDIATE TERMS, THE LARGE MDB VOTE WAS A REACTION TO THE ECONOMIC CRISIS, THE MOST IMPORTANT SINGLE ISSUE BEING THE DECLINE IN PURCHASING POWER OF EVERYONE EXCEPT THE ECONOMIC ELITE. ANOTHER CRUCIAL ECONOMIC ISSUE IN AGRICULTURAL AREAS WAS THE GOVERNMENT'S COMMODITY POLICIES.

3. ROLE OF THE MULTINATIONAL COMPANIES - AN EFFECTIVE CAMPAIGN ISSUE. WHILE THE ELECTORAL RETURNS DID NOT SIGNIFY A REPUDIATION OF THE FREE MARKET ECONOMIC SYSTEM ITSELF, THEY SHOULD BE INTERPRETED AS A REJECTION OF THE GOVERNMENT'S POLICY OF ALLOWING TOO FREE A HAND TO THE FOREIGN COMPANIES. HE CITED THE EXAMPLE OF THE BRITISH-AMERICAN TOBACCO CO. WHICH, HE ALLEGED, MARKED UP THE PRICE OF ITS CIGARETTES IN BRAZIL TO TWICE THE LEVELS AT WHICH THEY WERE SOLD ABROAD. HE ALSO REPEATED THE FAMILIAR ACCUSATION THAT MULTINATIONAL TRADING COMPANIES HAD MANIPULATED THE INTERNATIONAL MARKET PRICE OF SOYBEANS WITH DISASTROUS RESULTS FOR BRAZILIAN SOY-BEAN FARMERS -- A THEME WHICH WE HEARD THROUGHOUT OUR RECENT PRE-ELECTION SWING THROUGH THIS CONSULAR DISTRICT AND WHICH, THE EMBASSY MAY RECALL, WAS ALSO RAIDED BY ORESTES QUERCIA DURING OUR LUNCH ON AUGUST 23 (SEE MEMCON). AS ON THAT OCCASION, THE CONGEN EXPLAINED THE BACKGROUND OF THE FLUCTUATIONS IN SOYBEAN PRICES IN SOME DETAIL, FOR WHICH MONTORO SEEMED APPRECIATIVE, STATING THAT THE MDB WAS NOT INTERESTED IN DISTORTING REALITY AND SINCERELY WANTED TO GET AT THE TRUTH OF THE MATTER. NEVERTHELESS, THE SOY-BEAN ISSUE HAD BEEN PERCEIVED AS A MAJOR GOVERNMENT ERROR BY THE PUBLIC AND THIS HAD CONTRIBUTED SUBSTANTIALLY TO THE LARGE MDB VOTE IN THE RURAL AREAS.

4. MDB TO CHART A MODERATE COURSE. MONTORO STATED THAT HIS IMMEDIATE CONCERN WAS TO PREVENT BOTH HIS PARTY STALWARTS AND THE GOVERNMENT FROM OVERREACTING TO THE OUTCOME OF THE ELECTION. HE NOTED THAT RUMORS WERE CIRCULATING TO THE EFFECT THAT PAULO EGYDIO MARTINS INTENDED TO RESIGN AS GOVERNOR-DESIGNATE FOR SAO PAULO IN LIGHT OF THE ELECTION RESULTS. VICE GOVERNOR-DESIGNATE MANOEL

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PAGE 03 BRASIL 08740 01 OF 02 201404Z

GONCAVES FERREIRA FILHO, WHO IS A FORMER TEACHING ASSISTANT OF MONTORO'S, HAD ASSURED HIM THAT THESE RUMORS WERE NOT TRUE. FRANCO MONTORO ASSURED FERREIRA IN RETURN THAT THE MDB HAD NO INTEREST IN FORCING SUCH A DEVELOPMENT (I.E. DESPITE THE FACT THAT PAULO EGYDIO WAS SELECTED BY A LAME-DUCK ASSEMBLY WHICH TURNED OUT NOT TO BE TRULY REPRESENTATIVE AND ALSO DESPITE THE SUBSTANTIAL IRRITATION

CAUSED BY PAULO EGYDIO'S PUBLIC THREATS DURING THE HEAT OF THE CAMPAIGN AGAINST MAYORS AND OTHERS WHO DID NOT COOPERATE IN THE CARVALHO PINTO CAUSE). FRANCO MONTORO SAID THAT THE FLURRY OF RESIGNATION RUMORS MERELY SERVED "GOLPISTA" INTERESTS, WHEREAS THE MDB'S OBJECTIVE WAS TO FACILITATE A DIALOGUE AT THE STATE AND FEDERAL LEVELS WITH THE GOVERNMENT, WHICH WAS IN THE BEST INTEREST OF THE PEOPLE AND OF DEMOCRACY. HOWEVER, MONTORO SAID THAT THE MDB COULD NOT ACCEPT PAULO EGYDIO'S APPOINTMENT OF A POLITICAL MAYOR IN SAO PAULO AND THAT THE NEWLY WON MAJORITY IN THE STATE LEGISLATURE WOULD ONLY APPROVE AN APOLITICAL TECHNOCRAT SUCH AS ROBERTO CERQUEIRA CESAR OR FORMER MAJOR FIGUEREIDO FERRAZ.

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PAGE 01 BRASIL 08740 02 OF 02 201346Z

53

ACTION ARA-10

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USIA-06 AID-05 PC-01 EB-07 COME-00 AGR-05 TRSE-00

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LIMITED OFFICIAL USE SECTION 2 OF 2 BRASILIA 8740

5. FURTHER MDB PLANS AND POSSIBLE GOVERNMENT REACTION. MONTORO INTENDS THAT THE MDB SET UP SHADOW CABINETS AT THE FEDERAL AND STATE LEVELS SIMILAR TO THAT MAINTAINED BY THE OPPOSITION PARTY IN GREAT BRITAIN, WITH THE TASK OF CLOSELY FOLLOWING DEVELOPMENTS IN EACH MINISTRY OR AREA OF ACTIVITY AND OF OFFERING PROPOSALS AIMED AT IMPROVING FEDERAL OR STATE ADMINISTRATION'S POLICIES. AT MONTORO'S INSISTENCE, THE MDB HAD PURSUED A CAMPAIGN STRATEGY OF REFRAINING FROM PERSONAL ATTACKS AND OF AVOIDING SENSITIVE, EMOTION-CHARGED ISSUES SUCH AS TORTURE AND AI-5. THE MDB DID NOT ATTACK THE 1964 REVOLUTION ITSELF BUT STRESSED THAT THE GOVERNMENT HAD STRAYED FROM SOME OF THE REVOLUTION'S

OBJECTIVES, PRINCIPALLY BY FAILING TO PASS ON TO THE WORKERS THE BENEFITS OF INCREASED PRODUCTIVITY IN TERMS OF HIGHER WAGES. NOW THAT THE MDB CAMPAIGN HAD BEEN SO SUCCESSFUL IT WOULD BE FOOLISH TO ADOPT A VINDICTIVE TUNE, THUS GIVING THE MILITARY AN OPPORTUNITY TO ANNUL THE ELECTION RESULTS AND TO THWART THE PROSPECTS FOR A STRENGTHENED DEMOCRACY IN BRAZIL. ASKED WHETHER HE THOUGHT "THE SYSTEM" WOULD ACCEPT THE RESULTS, MONTORO RESPONDED THAT PRESIDENT GEISEL REPRESENTED HALF OF THE SYSTEM AND GEISEL HAD DEMONSTRATED THE SINCERITY OF HIS INTENTIONS. THEREFORE, HE WAS OPTIMISTIC.

6. INTERNAL PARTY CONSIDERATIONS. MONTORO RECOGNIZED THAT THERE LIMITED OFFICIAL USE

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PAGE 02 BRASIL 08740 02 OF 02 201346Z

WAS A NEED TO RESTRAIN SOME OF HIS PARTY COMRADES WHO WERE EUPHORIC WITH THE OUTCOME OF ELECTION. HOWEVER, THE MOST RADICAL OF THESE, DEPUTY CHICO PINTO, HAD BEEN ELIMINATED FROM THE ELECTION BY THE JUDICIAL PROCESS, WHICH, WHILE UNJUSTIFIED IN MONTORO'S VIEW, WAS PREFERABLE TO PINTO'S BEING CASSATED. HE WAS HOPEFUL THAT THE REST OF THE PARTY RFADERS WOULD ADOPT A MODERATE, RESPONSIBLE POSITION. DURING LUNCH HE TELEPHONED PORTO ALEGRE TO CHECK ON A RUMOR HE HAD HEARD FROM FERREIRA FILHO TO THE EFFECT THAT RIO GRANDE DO SUL MDB SENATORIAL CANDIDATE PAULO BROSSARD HAD ISSUED A VINDICTIVE VICTORY STATEMENT TO THE PRESS. MONTORO WAS RELIEVED TO LEARN THAT THIS WAS NOT TRUE AND HE TOOK THE OPPORTUNITY AGAINST TO LECTURE IN OUR HEARING HIS GAUCHO COMRADES ON THE NEED TO MAINTAIN A CONSTRUCTIVE POSTURE. ALTHOUGH IN PAST CONVERSATIONS WITH US MONTORO HAS DEFENDED THE RATIONALE FOR A THIRD PARTY, HE SAID THIS WAS NOT THE TIME FOR SUCH CONSIDERATIONS. THE IMPORTANT THING NOW WAS TO CONSOLIDATE THE MDB'S ELECTORAL GAINS AND FOR THE PARTY TO GROW. HE RECOGNIZED THAT THE FRUITS OF VICTORY COULD IRONICALLY ACCELERATE CENTRIFUGAL TENDENCIES WITHIN THE PARTY, BUT HE INTENDED TO WORK FROM WITHIN THE MDB TO GIVE IT THE BENEFIT OF CHRISTIAN DEMOCRATIC INSPIRATION AND DIRECTION.

7. COMMENT: AS WE HAVE REPORTED EARLIER, LOCAL ARENA OFFICIALS TOWARDS THE END OF THE CAMPAIGN SOUGHT CONSOLATION IN THE HOPE THAT THE GOVERNMENT WOULD SOMEHOW BE ABLE TO COOPT QUERCIA IF HE WERE SUCCESSFUL IN WINNING THE ELECTIONS. TO THE CONTRARY, OUR CONVERSATION WITH MONTORO HAS STRENGTHENED OUR IMPRESSION THAT QUERCIA IS LARGELY INDEBTED TO MONTORO FOR SHAPING HIS SUCCESSFUL CAMPAIGN AND THAT THE GOVERNMENT IS, AS THE EMBASSY APTLY PUT IT IN BRASILIA 8612, "WHISTLING IN THE DARK", IN SO FAR AS QUERCIA IS CONCERNED.

8. WHILE MONTORO DID NOT SPECIFICALLY SAY SO TO US, WE UNDERSTAND HE TOLD A PARTY COLLEAGUE YESTERDAY THAT HE HAD HEARD THAT BROSSARD'S STATEMENT HAD IRRITATED THE THIRD ARMY IN PORTO ALEGRE. THERE ARE ALSO RUMORS CIRCULATING HERE THAT LOCAL MILITARY AUTHORITIES ARE UPSET OVER THE ALLEGATION THAT SOME OF THE MDB DEPUTY CANDIDATES

SOUGHT AND OBTAINED ELECTION SUPPORT FROM THE COMMUNIST PARTY.

9. OUR USIS OFFICE IN CURITIBA CONFIRMS THAT THE MDB HAS ALSO WON
A MAJORITY IN THE PARANA STATE LEGISLATURE.

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PAGE 03 BRASIL 08740 02 OF 02 201346Z

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ELECTION RESULTS, POLICIES, VOTING, POLITICAL PARTIES, POLITICAL SITUATION, ELECTION FORECASTS, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL08740
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740335-1038
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741129/aaaaaxxe.tel
Line Count: 236
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by boyleja>; APPROVED <13 MAR 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SENATOR FRANCO MONTORO VIEWS ELECTION RESULTS
TAGS: PINS, PINT, BR, MDB, (MONTORO, FRANCO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005